

Airport Enterprise Fund

Roads & Facilities

Russell O. Stark, Airport Director

Enterprise Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
Expenditures					
Salaries & Benefits	\$1,267,728	\$1,403,813	\$1,696,249	\$1,696,249	\$292,436
Services & Supplies	2,129,475	1,996,314	2,170,368	2,170,368	174,054
Centrally-Budgeted Expenses	240,833	215,130	133,010	133,010	(82,120)
Other Charges & Uses	354,812	354,812	354,812	354,812	0
Fixed Assets	5,637,370	7,570,886	194,000	194,000	(7,376,886)
Total Expenditures	\$9,630,218	\$11,540,955	\$4,548,439	\$4,548,439	(\$6,992,516)
Expenditure Reimbursements	1,999	0	0	0	0
Total Appropriations	\$9,632,217	\$11,540,955	\$4,548,439	\$4,548,439	(\$6,992,516)
Earned Revenues By Source					
Interest/Rents	\$7,453	\$2,500	\$2,500	\$2,500	\$0
Aid From Other Governments	164,192	0	0	0	0
Miscellaneous Revenues	0	500	0	0	(500)
Operating Transfers In	892,244	1,234,545	639,826	639,826	(594,719)
Airport Special Revenues	7,061,358	12,375,529	3,906,113	3,906,113	(8,469,416)
Fund Balance	1,506,970	(2,072,119)	0	0	2,072,119
Total Revenues	\$9,632,217	\$11,540,955	\$4,548,439	\$4,548,439	(\$6,992,516)
Net County Cost	\$0	\$0	\$0	\$0	\$0
Staffing					
Allocated Positions	12.0	12.0	15.0	15.0	3.0
Temporary (Full-Time Equivalent)	0.2	0.2	0.1	0.1	(0.1)
Total Staffing	12.2	12.2	15.1	15.1	2.9

- Operating Transfers In includes a General Fund loan of \$639,826 for 2019-2020.

Purpose

The Stockton Metropolitan Airport (Airport) serves the commercial, corporate business, and general aviation needs of San Joaquin County. The Airport is in a foreign trade zone and is conveniently located and easily accessible by two major north-south arterials in California, Interstate 5 and State Route 99.

The Department of Aviation plans, operates, and maintains the safety and appearance of the Airport to meet the highest standards. The Department also manages numerous tenant agreements and facilities; provides a safe and efficient facility for the operation of aircraft; promotes development of Airport property for aviation and commercial-related services; obtains and administers Federal Aviation Administration

(FAA) grants; and reviews all development proposals within the Airport's sphere-of-influence to ensure compatibility with Federal, State, and local standards.

Major Budget Changes

Salaries & Employee Benefits

- \$53,681 Salary and benefits adjustments.
- \$163,664 Add two Airport Operations Specialists.
- \$75,550 Add an Airport Operations Worker.
- \$6,000 Increase in budgeted overtime.

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- (\$6,459) Decrease in extra-help.

Services & Supplies

- \$63,500 Increase in electric and water utility costs.
- \$54,450 Increase in Montezuma Fire District costs.
- \$25,500 Increase in maintenance costs of doors, fence, glass, and roofing.
- \$20,271 Increase in fleet services costs.
- \$13,000 Increase in costs for safety and security services.
- \$10,000 Increase in County Counsel costs.
- \$9,000 Increase in janitorial service costs.
- (\$27,500) Decrease in patrol services costs.

Centrally-Budgeted Expenses

- (\$22,791) Decrease in Workers' Compensation and Casualty insurance costs.
- (\$59,714) Cost Allocation Plan adjustment.

Other Charges

- \$62,887 Increase in loan repayments.
- (\$62,887) Decrease in interest costs.

Revenues

- \$390,065 Increase in Terminal Area Building revenues due to LGSTX Services Inc. lease.
- \$275,000 Increase in fuel flowage fees due to Atlas Air, Atlantic Aviation, United Airlines, and Allegiant Air.
- \$85,000 Increase in scheduled landing fees.
- \$21,450 Increase in Safety Division revenue from the Transportation Security Administration.
- \$11,132 Increase in aeronautical services revenues.

- (\$5,871,989) Decrease in Measure K Fund reimbursement for construction based on planned capital projects and accounting changes.
- (\$2,597,595) Decrease in Federal reimbursement for construction based on planned capital projects and accounting changes.
- (\$2,072,119) Decrease in contribution to Fund Balance.
- (\$650,000) Decrease in Federal Department of Transportation grant due to accounting changes.
- (\$594,719) Decrease in Passenger Facility-Charges (PFC) due to reduction in project costs and accounting changes.
- (\$113,500) Decrease in reimbursements and various Airport lease revenue.
- (\$19,120) Decrease in Aircraft storage revenues due to vacancies.

Fixed Assets/Capital Improvement

- \$194,000 San Joaquin Council of Governments (SJCOG) Measure K Expenditure Plan.

Program Discussion

The 2019-2020 recommended Airport budget totals \$4,548,439. This change represents a decrease of \$6,992,516 from the 2018-2019 adjusted budget, primarily attributable to the Category II Instrument Landing System and the terminal electrical system rehabilitation projects that are nearing completion with a majority of the expenses complete. The decrease also reflects a change in accounting for capital improvement projects, which will now be included in the new Airport Capital Projects budget unit (#9231000000). Cost decreases are partially offset by salary and benefits adjustments and the addition of two Airport Operations Specialists and an Airport Operations Worker. The additional staff is needed to serve increased client cargo activity.

The Airport continues to strive to improve its financial position and build a Fund Balance to fund deferred maintenance issues that have grown over the last year. Revenues continue to increase from terminal building leases, landing fees, and fuel flowage fees. Although there are

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increased revenues, they are not sufficient to maintain core infrastructure needs, including the Airport Industrial Park roads and repair, replacement, and rehabilitation of the commercial terminal.

The 2019-2020 recommended budget includes continued County support of the Airport by providing a General Fund loan of \$639,826 to the Airport Enterprise Fund. The County will leverage all financial contributions to the Airport in negotiations with the FAA for current and future land opportunities related to the Airpark 599 development project.

Air Services

Allegiant Air service continues to grow at the Airport. Passenger enplanements to Las Vegas are at an all-time high. Overall, the Airport hit its highest total passenger count in over two decades. Flights to Las Vegas are offered 10 to 13 times per week, depending on the season. Additionally,

Allegiant Air continues to service Phoenix-Mesa Gateway, Arizona and San Diego, California, two-to-three times per week depending on seasonal demand.

Revenue streams that are primarily driven by aviation activity, such as fuel-flowage fees and landing fees have increased due to a higher number of passenger enplanements and cargo activity. The trend of increased revenue is expected to continue in 2019-2020, with the expected increase in domestic air service due to the addition of United Airlines flights to Los Angeles International Airport twice weekly starting in August 2019. To develop high-quality commercial aviation activity, the Airport Director continues to work with an air service development consultant to make presentations to major and regional airlines to secure additional service and to increase the routes and frequency of Allegiant Air and United Airlines flights.

Workload Data

	-----Actual-----			Est./Act. 2018-2019	Projected 2019-2020
	2015-2016	2016-2017	2017-2018		
Commercial Passengers					
<i>Enplanements</i>	83,707	94,635	97,648	100,335	138,000
<i>Deplanements</i>	83,818	93,095	96,884	100,617	138,000
<i>Total*</i>	167,525	187,730	194,532	200,952	276,000
Aircraft Operations					
<i>Air Carrier</i>	1,336	2,532	2,500	2,557	5,732
<i>Air Taxi</i>	1,960	1,638	1,862	1,737	1,956
<i>Military</i>	2,791	3,089	2,083	2,114	2,163
<i>General Aviation</i>	53,175	68,429	80,904	84,525	92,100
<i>Total</i>	59,262	75,688	87,349	90,933	101,951

*New anticipated domestic services, August 2019.